

MINUTE ITEM

18. (AMENDATORY AGREEMENT, EXPANDED WATER FLOOD, HARBOR COMMISSION, CITY OF LONG BEACH, WILMINGTON FIELD, LOS ANGELES COUNTY - L.B. W.O. 10,020.)

Following the discussion in connection with the previous Minute Item No. 17, Mr. Philip J. Brady of Long Beach asked if the recommendation of the staff concerning water injection was to be made at the meeting suggested for about May 25, and was informed by the Assistant Executive Officer that this was not yet known but it was hoped so. Mr. Brady then referred to a supplemental report which had been submitted concerning amendments to six existing drilling and operating contracts between the Harbor Department of the City of Long Beach and the Long Beach Oil Development Company, and to the fact that under the terms and conditions of the contracts, amendments could be made legally only as a secondary recovery measure. It was thereupon indicated that there was a special item on the agenda to cover this problem, and Calendar Item No. 21 attached was presented, after which the Executive Officer explained that the staff hoped to have some answers on the problem toward the end of the month, for presentation at the special meeting to be held about May 25.

Mr. Brady emphasized that it was the opinion of the City of Long Beach that under the drilling and operating contracts of the Harbor Commission of the City of Long Beach with the Long Beach Oil Development Company, the proposed amendments could only be entered into as a secondary recovery measure, and that the amendments had been drafted on this basis.

Mr. Kirkwood asked if this meant that the City of Long Beach intended to pick up the bill, and was informed by Mr. Brady that under the operating contract this would have to prove itself as good oil development practice in order for the costs to be recovered by the Long Beach Oil Development Company, but that it was hoped that the expanded water flood operations would aid in both oil recovery and in fighting the subsidence problem.

The Executive Officer pointed out that any amendments to existing contracts or any new contracts affecting Long Beach must be presented to the Commission for action.

The Chairman asked if the amendments proposed were in accordance with existing law, and was told by the staff that this question was under study.

Attachment:

Calendar Item 21 (1 page)

CALENDAR ITEM

SUPPLEMENTALINFORMATIVE

21.

(AMENDATORY AGREEMENT, EXPANDED WATER FLOOD, HARBOR COMMISSION, CITY OF LONG BEACH, WILMINGTON FIELD, LOS ANGELES COUNTY - W. O. 10,020.)

On February 19, 1957 in compliance with Section 10, Chapter 29, Statutes of California, 1956, the Long Beach Harbor Commission submitted for approval by the State Lands Commission an agreement amending each of the six existing drilling and operating contracts between the Harbor Commission of the City of Long Beach and the Long Beach Oil Development Company.

The proposed amendment provides for an expanded water flood operation for the purpose of developing data relative to alleviating subsidence. The proposed operation will provide valuable data relative to the effect of water injection as a remedial measure in subsidence. As a secondary recovery measure, water injection into the aquifer sands will materially increase the ultimate recovery of oil from the reservoir. The proposed amendment is currently being reviewed by the office of the Attorney General as to legal compliance under Chapter 29/1956, 1st E.S., and by the staff as to engineering feasibility.